

THE PROVINCIAL BANK OF CANADA ANNUAL REPORT 1965

AR50





This century's bank for this century's people

Born in this century, a bank whose origins go back to 1861? Technically, yes. It is true that "La Banque Jacques-Cartier" was founded on May 18, 1861, but it was on May 7, 1900 that a special law authorized it to change its name to The Provincial Bank of Canada. This explains how we can, in the same breath, say that The Provincial Bank of Canada was founded in 1861 and that it was born in this century.

DEVELOPMENT

Unassuming at the start, the Bank had only eight branches in 1900, of which half were in Montreal. This, however, was only the beginning and the Bank was to keep up with the times, growing with the economic progress of this century. In 1930, there were 138 offices. In 1945, following the depression and the war, this number was down slightly to 131. But, during the next twenty years, the Bank was to open 237 new offices, so that at the end of the last fiscal year, on October 31, 1965, it had 368! An exceptional policy, particular to The Provincial Bank of Canada: contrary to most other chartered banks which were busily spreading their operations across the whole of Canada, The Provincial Bank was to concentrate its expansion in a well-defined area—the East. This was a voluntary restriction that was to enable the Bank to be associated more closely with this region's economic progress.

THE PART PLAYED BY SHAREHOLDERS

Shareholders took an active part in the development of The Provincial Bank of Canada. The following figures clearly illustrate this participation: in 1900, the shareholders' equity was of \$763,294; in 1930, it reached \$5,963,183; \$9,089,845 in 1955 and today, it is up to \$27,113,825! During this same period, the Bank's authorized capital grew from \$1,000,000 in 1900 to \$20,000,000 in 1965 and the paid-up capital from \$743,559 to \$9,000,000!

Napoleon used to say that a good sketch is better than a long speech. These figures constitute a nice sketch indeed!

A TANGIBLE PRESENT, A GUARANTEED FUTURE

The Provincial Bank of Canada has now become a large institution, although remaining within its definition as a regional bank, mainly associated to the French-Canadian economy and well adapted to its needs. It has not for as much neglected to serve Canadians of all ethnic groups; on the contrary, it has always striven to do so. It believes that, as a regional bank, it has contributed greatly to the economic growth and well-being of the districts it serves and it considers that it can and must, as such, continue to assume this rôle and, in this way, contribute to the prosperity of the whole of Canada.

65th Annual General Meeting of the Shareholders of The Provincial Bank of Canada, held at the Queen Elizabeth Hotel, in Montreal, on December 14, 1965

Summary

BOARD OF DIRECTORS, page 2

MINUTES OF THE GENERAL MEETING, page 3

PRESIDENT'S ADDRESS, page 6

GROWTH STATISTICS (graph), page 12

FINANCIAL STATEMENTS:

REPORT OF THE BOARD OF DIRECTORS

STATEMENT OF ASSETS AND LIABILITIES

PRO-CAN REALTIES LIMITED

EXECUTIVE OFFICERS OF THE BANK

GROWTH STATISTICS (cont'd), page 13

GENERAL MANAGER'S ADDRESS, page 14

OUR NEW REGIONAL OFFICES, page 19

LIST OF BRANCHES, page 20

NEW AND RENOVATED BRANCHES, pages 22-23

Board of Directors

Chairman of the Board and the Executive Committee

*Roland Bock, *Montreal*

President of the Bank

*J.-Ubaldo Boyer, *Montreal*

Vice-Presidents

*Cecil F. Carsley, M.B.E., *Montreal*

*Lucien Massé, C.A., LL.D., *Hull*

*Gaston Pratte, *Quebec*

General Manager of the Bank

Léo Lavoie, *Montreal*

Benoit Benoit, *St. Hyacinthe*

Jacques Brillant, L.Sc. Pol. & Soc.,
Rimouski

*Ignace Brouillet, D.Ap.Sc., Eng.,
Montreal

Roland Chagnon, C.A., *Montreal*

Charles-E. Demers, Eng., *Quebec*

Paul-A. Dionne, *Montreal*

*Charles-J. Gélinas, Q.C., *Montreal*

Hon. Gérard Martineau, M.L.C.,
Quebec

Hon. J.-Olier Renaud, Q.C., M.L.C.,
Montreal

Arthur Simard, Q.C., *Sorel*

Antoine Turmel, *Sherbrooke*

G. J. van den Berg, *Montreal*

*Member of Executive Committee

Minutes

Minutes of the sixty-fifth Annual General Meeting of the Shareholders of The Provincial Bank of Canada, held at the Queen Elizabeth Hotel, 900 Dorchester Blvd. West, Montreal (Canada), on the 14th of December 1965 at eleven o'clock in the forenoon.

*Among those present were:

Arpin, Georges
 Arpin, J.-Maurice
 Arsenaault, Mrs. Thérèse-B.
 Ash, Ben
 Ash, David
 Asselin, J.-Charles
 Aubry, Liguori
 Bachand, Pierre, C.A.
 Baudry, Ubalde
 Beaubien, M. de Gaspé
 Beaudin, Louis
 Beauregard, Benoit
 Belzile, Hervé, C.A.
 Benoit, Benoit
 Benoit, Mrs. Gilberte
 Bernardin, Maurice
 Bernier, Mrs. B.
 Bertrand, E.
 Bertrand, Mrs. E.
 Bertrand, Gaston
 Bertrand, Mrs. Gaston
 Bessette, Yves
 Biron, Paul
 Blanchet, René
 Bleau, Florian
 Bock, Jacques
 Bock, Roland
 Bodin, A.-J.
 Boidman, Arthur
 Boucher, Miss Louise
 Boulanger, J.-Louis
 Bourdages, J.-Rodrigue
 Bourgault, Roger
 Bourgie, Marc
 Boyce, J.-G.
 Boyer, J.-Ubalde
 Boyer, Mrs. J.-Ubalde
 Boyer, Mrs. Marcelle
 Brillant, Jacques
 Brisson, Mrs. Ida
 Brochu, Mrs. Lucille
 Brosseau, Miss Isabelle
 Brouillet, Ignace, Eng.
 Brunelle, Guy
 Burdairon, R.-L.
 Bureau, Gilles
 Bureau, Mrs. Yvan
 Cadrin, Mrs. Cécile
 Cadrin, Miss Charlotte
 Cadrin, Jacques
 Caillé, Mrs. C.
 Caillé, Lucien
 Cantin, Jean-Charles
 Caron, Mrs. M.
 Caron, Marcel
 Carsley, C. F., M.B.E.
 Casgrain, Rodolphe
 Cayne, Mac T.
 Chabot, Guy, C.A.
 Chabot, J.-C.
 Chabot, J.-M.
 Chagnon, Roger
 Chagnon, Roland, C.A.
 Chapdelaine, Hervé
 Charbonneau, Dr. Jean

Chaurette, Henri
 Chodos, Samuel
 Chouinard, Mrs. S.
 Chrétien, Hèbert
 Clément, Paul-E.
 Cliche, Paul-E.
 Cloutier, Roger
 Cousineau, Bruno
 Cousineau, E.-Rémi
 Cousineau, Edouard
 Cousineau, Mrs. G. Quesnel
 Cousineau, René
 Craig, Mrs. D.
 Crevier, J.-Armand
 Custeau, Maurice-T.
 Dagenais, Mrs. L. Mackay
 Danis, Maurice-A.
 D'Arsigny, Ernest
 David, Honoré
 David, Mrs. Honoré
 Davidson, A.-G.
 Dearden, Mrs. M.-M.
 De Carufel, S.-Luc
 Dechêne, Mrs. A. Dufault
 Delabarre, J.-Henri
 Delage, Jean, Eng.
 Delorme, J.-R.
 Demers, Chs.-E., Eng.
 Depatie, L.
 Deschênes, Ernest
 Deschênes, Mrs. Jeanne
 De Sève, J.-A.
 Desjardins, Gérard
 Deslauriers, Léopold
 Deslauriers, Mrs. Léopold
 Desrochers, Paul
 Desroches, R.
 Desrosiers, Armand
 Des Trois-Maisons, Mrs. M.
 Diamond, Mrs. Cécile-G.
 Dionne, Jean-Guy
 Dionne, Miss Maria
 Dionne, Paul-A.
 Dionne, Robert
 Domey, Jean-Noël
 Dorval, Guy
 Doucet, Mrs. A.
 Dozois, Mrs. Gabriel
 Drouin, E.
 Dubois, Hughes
 Ducharme, J.-P.
 Dufour, W.-A.
 Duguay, Guy
 Duhamel, Joseph
 Dumas, Paul
 Dumas, Réal
 Dumont, Jacques
 Dupras, J.-O.
 Duprat, Henri
 Dupuis, J.-H.
 Dupuis, Mrs. J.-H.
 Duquette, Denis
 Duranceau, Mrs. Thérèse
 Duval, Guy
 Farber, I.
 Faucher, Jean-Guy, C.A.
 Ferrand, R.-M.

Fillion, Maurice
 Finestone, H. B.
 Forest, André
 Fortin, Ernest
 Fortin, Mrs. F.
 Fréchette, J.-L.
 Gadbois, Raoul
 Gagné, Georges
 Gagné, Mrs. Georges
 Gagnon, Mrs. M. Brillant
 Galipeault, L.-E. Langis, Q.C.
 Gamache, Raymond
 Gariépy, Yvan
 Gauthier, Gaston
 Gélinas, Charles-J., Q.C.
 Gélinas, Mrs. C.-J.
 Gélinas, Mrs. F.
 Gélinas, Jean-Yves
 Giard, Gilles
 Girard, Marcel-H., C.A.
 Girard, Maurice
 Godard, Louis
 Goulet, Alphonse
 Goulet, Mrs. A.
 Grenache, Félix
 Grenache, Mrs. Roch
 Guay, Fernand
 Guertin, Michel
 Houde, Frédéric
 Hubert, Gérard
 Hurteau, Lucien
 Isabelle, Dr. Gaston
 Jean, Mrs. A.
 Jean, Mrs. J.
 Jeanson, J.-Marcel
 Jolicœur, P.
 Julien, Maurice

 Lavoie, Léo
 Lemay, Henri-Paul
 Martineau, Hon. Gérald, M.L.C.
 Massé, Lucien, C.A.
 Matteau, Jean-Louis
 Pilon, Fernand
 Pratte, Gaston
 Renaud, Hon. J.-Olier, Q.C., M.L.C.
 Routhier, Jean-Paul
 Savard, Gérard
 Simard, Arthur, Q.C.
 Théberge, J.-R.
 Trotter, André
 Turmel, Antoine
 van den Berg, G. J.
 Vien, Donat, C.A.

*Because of the large number of Shareholders present at the Meeting, it has not been possible to list here all those who attended. Apart from Directors, Scrutineers, movers and seconders of motions, the above list includes only those whose surname begins with letters A to K.

The President, Mr. J.-Ubald Boyer, occupied the Chair and Mr. René Cousineau acted as Secretary of the Meeting.

The Chairman appointed as Scrutineers Messrs. Henri-Paul Lemay and Hébert Chrétien and their nomination was approved unanimously by the Meeting. At the request of the Chairman, the Scrutineers confirmed, for record purposes, that there was a quorum and the Secretary then read the notice calling the Meeting and an affidavit concerning publication of said notice.

The Minutes of the last Annual General Meeting having been addressed to all Shareholders, were taken as read on motion of Mr. Jean Delage, Eng., seconded by Mr. J.-R. Théberge, and unanimously confirmed.

Following this, the Secretary read the reports of the Board of Directors and of the Auditors for the fiscal year ended October 31st, 1965. As Shareholders had already received copies of the Undivided Profits Statement and of

the General Statement, it was proposed by Mr. Guy Chabot, C.A., seconded by Mr. H. B. Finestone, and unanimously resolved that they be taken as read.

The President then addressed the Meeting, after which he called on Mr. Léo Lavoie, General Manager, to comment on the General Statement and the Undivided Profits Account. On motion of Mr. J.-Ubald Boyer, seconded by Mr. Roland Bock, the report of the Board of Directors to the Shareholders, and the relative statements submitted were unanimously adopted.

Having noted the progress made by the Bank during the year 1965, Mr. André Trottier moved, seconded by Mrs. Thérèse Durancéau, that Shareholders offer their congratulations to the President, the Directors, the General Manager and all other members of the Staff for the success achieved during the year ended October 31st last. This motion was adopted unanimously.

Mr. Gaston Gauthier, Manager of

the Legal Department, thanked the Shareholders for their vote of appreciation. On behalf of the Directors, Mr. C. F. Carsley, Vice-President, then expressed their thanks to the English-speaking Shareholders.

The Scrutineers reported that the number of shares represented by Shareholders present at the Meeting was 32,412 and that the number of shares represented by proxy was 617,665, forming a total of 650,077 or 72.2% of the capital stock.

It was moved by Mr. Florian Bleau, seconded by Mr. Donat Vien, C.A., that Messrs. J.-Emilien Nadon, C.A., of Nadon, Nadon & Associés, and Guy Fortier, C.A., of Boulanger, Fortier, Rondeau & Cie, be appointed Auditors for the ensuing year, that their remuneration be not more than \$18,000 and that their fees be divided between them in proportion to the time they will have devoted to the Bank's business.

It was also moved by Mr. Jean-Paul Routhier, seconded by Mr.

Jean-Louis Matteau, that in accordance with the Bank Act, Mr. J.-Ubald Boyer, or failing him, Mr. Roland Bock, or failing them, Mr. Gaston Pratte, be appointed to act as proxy for the Bank at any and all meetings of the Shareholders of Pro-Can Realities Limited, a Corporation controlled by the Bank.

Upon receiving the Scrutineers' report, the Chairman declared these two motions carried unanimously.

The Meeting then proceeded with the election of Directors. It was moved by Mr. Fernand Pilon, seconded by Mr. Gérard Savard, that the following Shareholders be elected Directors for the ensuing year, that a vote be taken for their election and that a single ballot be cast if there were no other names proposed: Messrs. Benoit Benoit, Roland Bock, J.-Ubald Boyer, Jacques Brillant, Ignace Brouillet, Eng., C. F. Carsley, M.B.E., Roland Chagnon, C.A., Charles-E. Demers, Eng., Paul-A. Dionne, Charles-J. Gélinas, Q.C., Léo Lavoie, Hon. Gérald Mar-

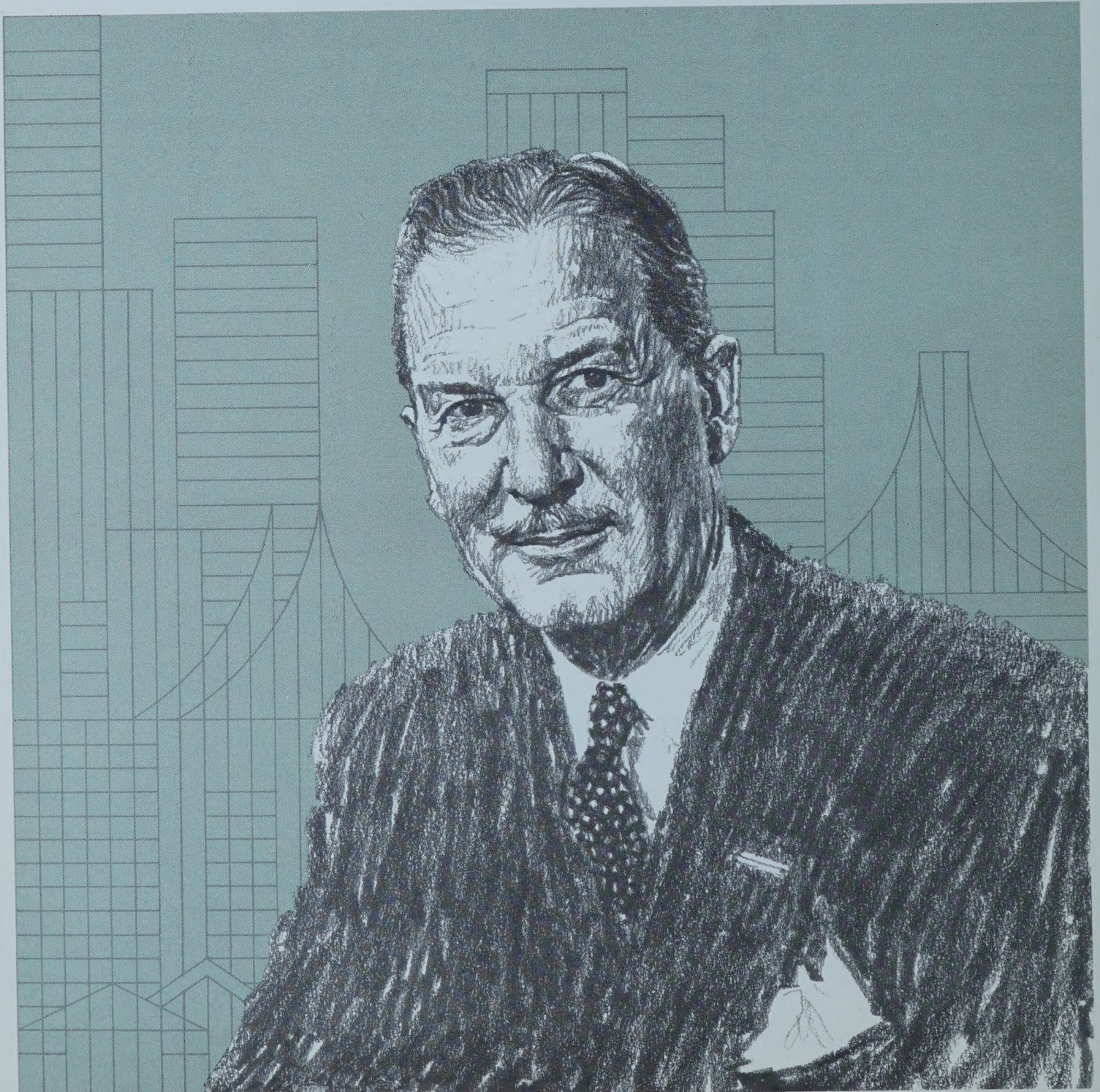
tineau, M.L.C., Messrs. Lucien Massé, C.A., Gaston Pratte, Hon. J.-Olier Renaud, Q.C., M.L.C., Messrs. Arthur Simard, Q.C., Antoine Turmel and G. J. van den Berg. Upon receiving the Scrutineers' report, the Chairman declared the above-named Shareholders elected to the Board of Directors for the ensuing year.

The Meeting then adjourned.

At a special Meeting of the Board of Directors held subsequently to the meeting of Shareholders, the following officers were elected for the ensuing year: Chairman of the Board and of the Executive Committee: Mr. Roland Bock; President of the Bank: Mr. J.-Ubald Boyer; Vice-Presidents: Messrs. C. F. Carsley, Lucien Massé and Gaston Pratte.

Mr. J.-Ubald Boyer

President



Address by the President

At the time of our last Annual General Meeting, we had mentioned the uncertainties which were felt towards the pursuance of prosperity in 1965, but the period now coming to an end represents the fifth year of continual economic expansion in Canada. This is a rare event in the Canadian history of economic cycles.

Our Gross National Product, according to the latest estimates, will exceed \$50,000 millions. More significant still, the growth rate will equal last year's 9%. Taking into account the advance in the general price level, this growth stands out as the highest since 1956. These aggregate results could give rise to complacency. We prefer to stress the persistence of regional disparities that undermine the balanced development of the economy and the fact that, considering the full capacity of our economy, this rate of growth could cause an inflationary spread.

The economic situation both of Canada and Quebec unquestion-

ably depends on international conditions. Continuing growth in the United States, and to a lesser degree in Europe, have contributed to the present buoyancy. Nevertheless, our Canadian growth rate is higher, in real terms, than that of both the United States and many European countries. It is clear, therefore, that other internal factors have a part in the present upswing.

Among these factors we might point to the bumper crop of western cereals. The wheat harvest, in the order of 700 million bushels, was only slightly less than 1963's record. Consumer spending for both durable and non-durable goods advanced. Such increases were favoured by an Income Tax reduction. Investment outlay accounted for a more rapid expansion in building construction than last year. The second quarter of this year was 25% higher than the first quarter. There was a corresponding 20% rise in industrial equipment. Moreover, appreciable increases in all manufacturing in-

dustries, except chemicals, are noticeable in all revised estimates of investment. In every case, estimates are higher than last year's outlays. The same is true of public utilities. If all these expectations are fulfilled, there will be, compared to the preceding year, an overall increase of investment in both the public and private sectors of about 20%. That would be the highest rate of increase for the present period of expansion. Let us now look at government spending. On the Federal level, though the operations will certainly show a deficit on a cash basis, the budget may be in balance. On the Provincial-Municipal levels, expenditures will exceed revenue over the whole year. This deficit has accentuated effective demand.

From this brief survey it is clear that the year 1965 is a year of balanced growth of aggregate demand in all sectors. This is revealed in the rise of public and private outlay in all areas of consumer spending and investment.

These tendencies exert pressure on the price level in the measure in which full employment is realized. During the first months of the year, the price rise, considering the expansionary period, was moderate. But the sudden advance of some indicators is pointing to the danger of an inflationary thrust.

FINANCIAL CONDITIONS

An unprecedented growth since 1961 of all loans by the Chartered Banks supported this upswing of the economy. During the first ten months of the year, the money supply has increased 9%, a pace beyond previous years. From October 1964 to October 1965 the advance was 13%, the highest since the beginning of the expansion in 1961.

Together with the appearance of inflationary signs in total demand, we have witnessed since the end of the first quarter of the current year an appreciable rise in the interest rates of the financial markets. Paralleling this evolution,

security holdings of the Chartered Banks have continued to decrease, while general loans have advanced. As a result of external factors, credit tightened in the middle of the summer. On the short-term market, lack of capital rather than rising interest rates characterized this period. To this was added a far-reaching financial failure that shook the money market. Since the fall, the money supply has been levelling off.

FOREIGN TRADE

The considerable improvement in our trade balance last year eased the usual deficit in current operations. This year, on the other hand, there seems to be a return to the previous situation. Unless our exports of wheat to China and the Soviet Union bring about a slight surplus, our merchandise balance will probably be in deficit. In a period of expansion when imports of machinery and equipment rise, this would be the normal tendency. In the present case it was counterbalanced by favourable

weather in Western Canada. This trade balance, as we may notice, is indeed vulnerable! Under the heading "invisible" we have a clearer picture of what is happening. Borrowing in the past and foreign investment bring in their wake heavy payments in the form of interest and dividends. This is irreducible outflow. In this area the deficit will exceed that of last year. All things considered, we must expect a rising deficit in the balance of payments.

What are the factors influencing the short-term development of our foreign relations? In Europe, difficulties in setting up an agricultural policy in the Common Market area have held up negotiations for the Kennedy Round to reduce tariff barriers. In addition, the inflationary thrust will compel monetary authorities of European countries to go on restricting credit with the result that the growth in their economy will slow down. These factors stress the importance of our relations with the United States. It is in this

context that the problem of the American Balance of Payments must be considered.

This problem will become increasingly acute for Canada should the United States continue to correct the deficit in its balance of payments. Last year this deficit was in the order of \$2,800 millions. The effects of the voluntary restrictions recommended by President Johnson are already evident on our money markets. They could produce serious adverse effects on our economy. The American balance of payments showed a deficit of \$700 millions at the end of the first quarter, a \$250 millions surplus at the end of the second quarter and again a deficit of \$485 millions at the end of the third quarter. But, compared with last year, such figures represent a reversal of the situation and the partial success of American policy.

INTERNATIONAL LIQUIDITY

It is clear that the freeing of international trade is linked to the

stability of the international monetary system and to the existence of a sufficient number of currencies that are both sound and widely acceptable. This soundness is partly founded on confidence in the key-currencies or currency reserves on the international markets. This confidence is itself based in part on the importance and power of the national economies whose money is in current international use. It rests also on the steadiness of the balance of payments of the reserve countries: the United States and Great Britain. It is indisputable that the system using the pound sterling to carry out one third of all international transactions no longer corresponds to the relative importance of the United Kingdom in the world. Besides, the growth of liquidity in the form of American dollars can be obtained only at the cost of a large deficit in the American balance of payments. Even if the present international moneys are capable, in the short

term, of removing the current imbalance, it seems clear that within a few years it will become necessary to increase the number of moneys used on the international level. Meanwhile a broader rôle will be extended to the international monetary institutions already in existence.

FOREIGN CAPITAL

We must now consider the question of foreign investment, especially American, in Canada. Those who fear foreign ownership of our industry, argue from the investors' lack of concern for the national interests of Canada and the serious consequences of this attitude. Those who advocate leaving the field open to foreign capital, stress the beneficent effects in terms of increased revenue and employment. This argument is strictly economic. All underline Canada's need of massive capital funds which the Canadian markets cannot supply. It is not our purpose

to settle the question. But we would like to emphasize the need of a study in depth of this question by the Federal authorities and the experts associated with them, so that our decisions may be based on fact and not merely on opinion. Our personal belief is that the question of control ceases to be the menace some understand it to be, in the measure in which management is guided by consideration of economic efficiency and competition continues among those investing in Canada. In this view, the rôle of government is not to restrict the entry of capital, but to keep close watch on its inflow and to take it into account in formulating coherent policies. The vital point is to make the different sectors of the Canadian economy work together.

FULL EMPLOYMENT AND LABOUR POLICY

One of the most striking results of these five years of expansion has

been the continual lowering of the rate of unemployment. While the national average was more than 7% in 1961, the outlook is that it will be close to 4% for the year 1965. But here again, far from being complacent, we believe that everything possible must be done to reduce unemployment. Meanwhile the productivity of the labour force must be maintained and even increased. This is imperative if we are to reach the objectives set in the First Report of the Economic Council of Canada. These objectives require that the average rate of unemployment from now till 1970 should not exceed 3%. This will demand the use of an effective labour policy. By that we mean a policy that aims at adapting supply to demand of manpower in each type of occupation and in each part of the country. It will require the acceleration of the manpower re-education program for the purpose of increasing occupational mobility, this in spite

of the inertia or even the resistance that may be encountered. It must be noted that reduced unemployment rates conceal the fact that an important number of workmen are ill-prepared for the jobs they fill. Such are the demands of expansion that these men find employment so long as the need for them is pressing. In this way re-education is merely delayed. In an economy constantly becoming more technical such re-education is a prime necessity.

In a related area of ideas we would like to point out that the advance in productivity would have been greater but for the losses incurred by this year's record number of strikes and lock-outs. At the crest of an expansionary period, one can expect labour to wish to share the benefits of increased productivity. Would it not be possible to foresee these claims, to regularize wage increases and so prevent the economic distortions resulting from strikes?

REVISION OF THE BANK ACT

We will bring our address to an end with some comments on the revision of the Bank Act.

In our Report last year, we stressed the merits of some recommendations of the Porter Commission on Banking and Finance. Since then we have had a bill providing for the decennial revision of our banking system and we are now in a position to judge what importance the Government is inclined to give to these recommendations. The spirit of the Porter Report tried to re-establish, among other things, greater competition in the monetary and financial markets. We are forced to conclude that some important clauses of Bill C-102 show small respect for this spirit. The maintenance of a 6% limit on bank loans only, is directly opposed to the public interest.

In the first place, the 6% limit on loans prevents commercial banks from entering areas in which the

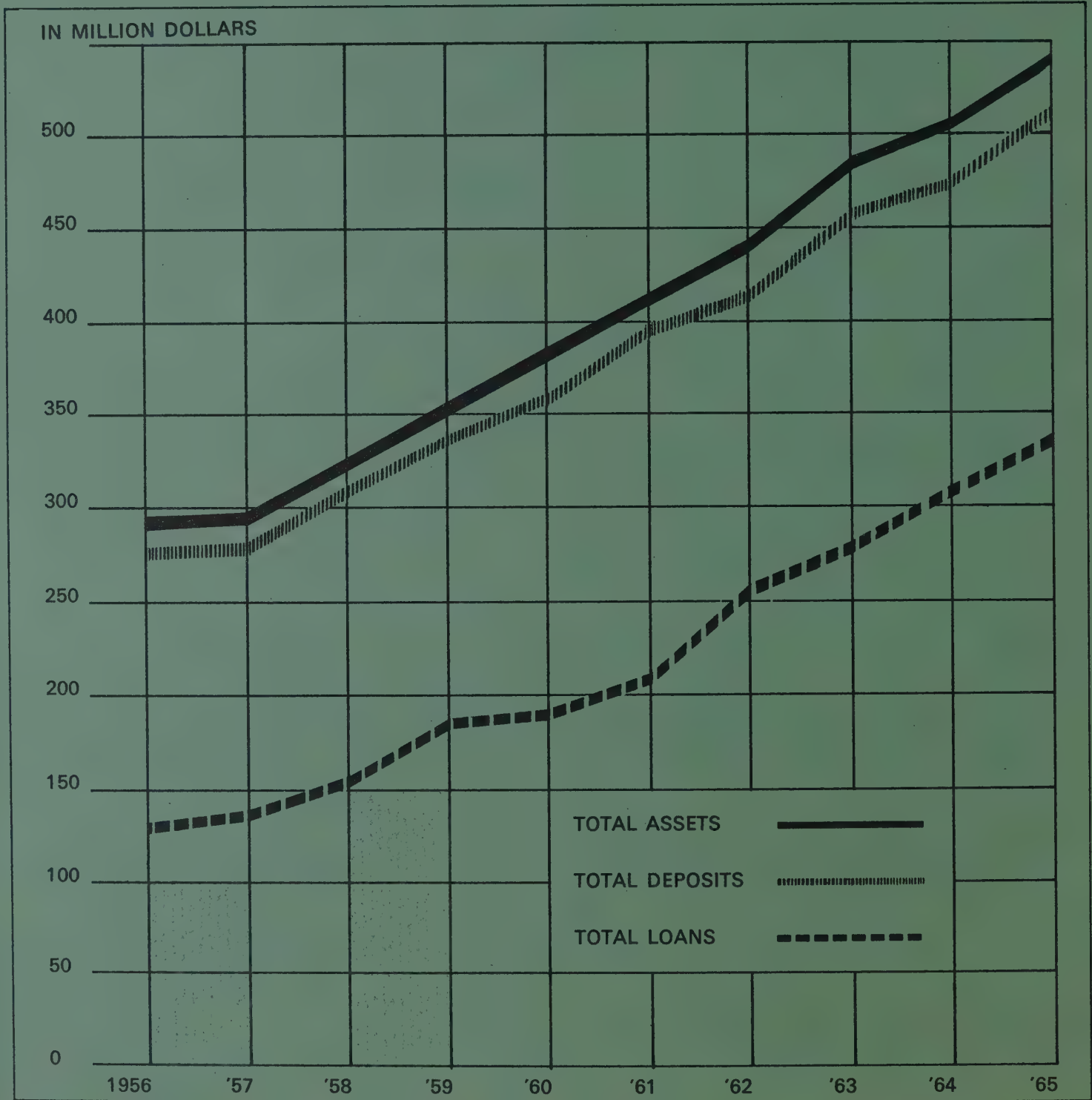
risks demand higher rates. Potential clients for these loans are forced to resort to other institutions. Sheltered from competition by the banks, such institutions are able to demand and to receive higher and at times excessive interest rates. It is clear that if the banks could have access to this more profitable type of loan, they would be in a position to pay a more substantial interest on their savings accounts. The suppression of the 6% ceiling would seem to be of advantage both to the clients of the banks and to the general public through the existence of competitive interest rates that would improve the overall efficiency of the banking and financial system.

Another clause of the Bill requires the banks to maintain a secondary liquid reserve, between 6 and 12%, in the form of Treasury Bills and day-to-day loans. This reserve, existing up to the present in virtue of a simple agreement between bankers and the Bank of Canada,

will soon become law, unless the Bill is amended. It must be recognized that this reserve constitutes an inexpensive means by which the Government finances itself in a coercive manner through the banks. We hope that this measure will not become a permanent feature of our banking system, but will be considered by the central authorities as an instrument of monetary policy to be used solely in critical periods of the economic cycle.

In conclusion, we urge again the amendment of the Bank Act that would suppress the 6% limit on bank loans. This seems to us to be essential. It is noticeable how this measure favours the near-banks. Yet, the borrowing and saving public is penalized through it. In the interest of the public, we wish to reiterate our firm belief that no artificial barrier should stand in the way of free competition between institutions which carry out after all similar functions.

Growth statistics



THE PROVINCIAL BANK OF CANADA

FINANCIAL REPORT AT OCTOBER 31, 1965



Annual General Meeting

The Annual General Meeting of the Shareholders will be held at the Queen Elizabeth Hotel (Salon Marquette), 900 Dorchester Blvd. West, in Montreal, December 14th, 1965, at eleven o'clock in the forenoon.

October 31

	1965	1964
Assets	\$543,107,341	\$506,895,049
Deposits	511,625,881	475,865,946
Loans	337,788,104	309,169,199
Net Profit	2,203,115	2,140,312
Capital	9,000,000	9,000,000
Rest Account	18,000,000	17,300,000

Board of Directors

Chairman of the Board and the Executive Committee

*Roland Bock, *Montreal*

President of the Bank

*J.-Ubald Boyer, *Montreal*

Vice-Presidents

*Cecil F. Carsley, M.B.E., *Montreal*

*Lucien Massé, C.A., LL.D., *Hull*

*Gaston Pratte, *Quebec*

General Manager of the Bank

Léo Lavoie, *Montreal*

Benoit Benoit, *St. Hyacinthe*

Jacques Brilliant, L.Sc. Pol. & Soc.,
Rimouski

*Ignace Brouillet, D.Ap.Sc., Eng.,
Montreal

Roland Chagnon, C.A., *Montreal*

Charles-E. Demers, Eng., *Quebec*

Paul-A. Dionne, *Montreal*

*Charles-J. Gélinas, Q.C., *Montreal*

Hon. Gérald Martineau, M.L.C.,
Quebec

Hon. J.-Olier Renaud, Q.C., M.L.C.,
Montreal

Arthur Simard, Q.C., *Sorel*

Antoine Turmel, *Sherbrooke*

G. J. van den Berg, *Montreal*

*Member of Executive Committee

Report of the Board of Directors

Gentlemen :

Your Directors have pleasure in presenting the Annual Statement of operations and the General Statement of Assets and Liabilities of the Bank for the year ended October 31, 1965.

STATEMENT OF UNDIVIDED PROFITS

Profits for the year before provision for income taxes but after payment to staff Pension Fund and after making transfers to inner reserves out of which full provision has been made for diminution in value of investments and loans
Provision for income taxes

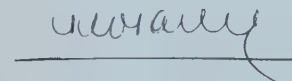
Dividends at the rate of \$1.40 per share
Extra distribution at the rate of 30¢ (1965) and 25¢ (1964) per share

Amount carried forward
Balance of undivided profits, brought forward from previous year

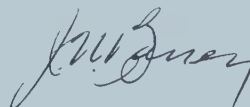
Transferred to rest account
Balance of undivided profits at end of year

October 31

1965	1964
\$4,463,115	\$4,310,312
2,260,000	2,170,000
<u>\$2,203,115</u>	<u>\$2,140,312</u>
1,260,000	1,260,000
270,000	225,000
<u>\$1,530,000</u>	<u>\$1,485,000</u>
673,115	655,312
140,710	185,398
813,825	840,710
700,000	700,000
<u>\$ 113,825</u>	<u>\$ 140,710</u>



LÉO LAVOIE,
General Manager



J.-UBALD BOYER,
President

During the year, five new branches were opened, one branch was closed while another one was transformed into an agency. The Bank had 200 branches and 168 agencies as at October 31, 1965.

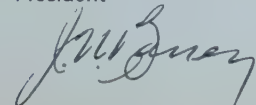
All branches and agencies were inspected by the Inspection Department of the Bank and the cash and securities at Head Office were verified.

The Shareholders' auditors, Messrs. J.-Emilien Nadon, C.A., and Jean-Paul Gagnon, C.A., audited the Bank's records and those of Pro-Can Realities Limited, a company controlled by the Bank, and their reports are appended to each statement.

Your Directors express their appreciation to the officers and staff of the Bank for the loyal co-operation they have shown in the discharge of their duties.

For the Board of Directors :

J.-UBALD BOYER,
President



Montreal, November 9, 1965

Statement of Assets and Liabilities

October 31, 1965

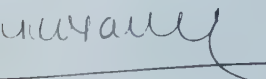
ASSETS

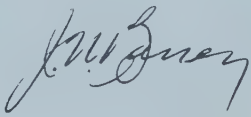
October 31

	1965	1964
Gold and coin	\$ 1,676,711	\$ 1,266,914
Notes of and deposits with Bank of Canada	33,476,994	27,123,576
Government and bank notes other than Canadian	1,584,977	1,711,837
Deposits with other banks	3,548,962	7,321,789
Cheques and other items in transit, net	18,663,382	13,711,125
	<u>\$ 58,951,026</u>	<u>33,879,851</u>
Government of Canada direct and guaranteed securities, at amortized value	89,569,518	85,868,656
Canadian provincial government direct and guaranteed securities, at amortized value	20,236,443	21,106,558
Other securities, not exceeding market value	21,892,014	22,957,761
	<u>\$131,697,975</u>	<u>\$129,932,975</u>
Mortgages and hypothecs insured under the National Housing Act, 1954	3,347,814	3,570,924
Day-to-day, call and short loans to investment dealers and brokers, secured	8,110,469	20,358,531
Other current loans, less provision for estimated loss	326,328,821	285,238,744
Non-current loans, less provision for estimated loss	1,000	1,000
	<u>\$337,788,104</u>	<u>\$309,169,199</u>
Bank premises at cost, less amounts written off	6,334,644	6,178,929
Shares of and loans to corporations controlled by the Bank	5,532,296	5,412,627
Customers' liability under acceptances, guarantees and letters of credit, as per contra	2,225,175	2,112,556
Other assets	578,121	609,212
	<u>\$ 14,670,236</u>	<u>\$ 14,313,324</u>
	<u>\$543,107,341</u>	<u>\$460,035,049</u>

LIABILITIES

	October 31	
	1965	1964
Deposits by Government of Canada	\$ 16,768,918	\$ 10,658,479
Deposits by Canadian provincial governments	6,219,475	10,355,457
Deposits by other banks	1,953,821	4,058,610
Personal savings deposits payable after notice, in Canada, in Canadian currency	248,715,680	229,459,393
Other deposits	237,967,987	221,334,007
	<u>\$511,625,881</u>	<u>\$475,865,946</u>
Acceptances, guarantees and letters of credit	2,225,175	2,112,556
Other liabilities	2,142,460	2,475,837
	<u>\$ 4,367,635</u>	<u>\$ 4,588,393</u>
Capital paid up	9,000,000	9,000,000
Rest account	18,000,000	17,300,000
Undivided profits	113,825	140,710
	<u>\$ 27,113,825</u>	<u>\$ 26,440,710</u>
	<u>\$543,107,341</u>	<u>\$506,895,049</u>


LÉO LAVOIE,
General Manager


J.-UBALD BOYER,
President

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the above statement and compared it with the books and accounts of The Provincial Bank of Canada at the Head Office and with returns certified by its branches.

At the end of the financial year, we have verified the investments and securities and checked the cash held at the Head Office and at its Main Branch. We have examined a substantial number of the inspection reports covering the branches.

We report that in our opinion, the above statement presents fairly the financial position of the Bank and that: a) we have obtained all the information and explanations we have required; b) in our opinion, the transactions of the Bank that have come under our notice have been within the powers of the Bank; c) the statement is as shown by the books of the Bank.

AUDITORS

J.-Emilien Nadon, C.A.,
of Nadon, Nadon & Associés, C.A.

Jean-Paul Gagnon, C.A.,
of Bélanger, Dallaire, Gagnon & Associés, C.A.

Montreal, November 9, 1965

Pro-Can Realties Limited

Balance Sheet, October 31, 1965

ASSETS

Rent receivable	\$ 202,000
Land and buildings at cost, less amounts written off	<u>5,339,423</u>
	<u>\$5,541,423</u>

LIABILITIES

The Provincial Bank of Canada	\$ 322,896	
Accrued bond interest	110,000	
Current portion of long-term debt	100,000	
Provision for income taxes	<u>150</u>	\$ 533,046
First mortgage sinking fund bonds—Series “B”—		
5½% maturing November 1st, 1986	\$4,000,000	
Less: Sinking fund payment due November 1st, 1965	<u>100,000</u>	3,900,000
CAPITAL STOCK		
PREFERRED—Redeemable, non participating, non cumulative dividends—4½%		
Authorized and issued: 10,000 shares of \$100 each	\$1,000,000	
COMMON		
Authorized and issued: 1,000 shares of \$100 each (Note 1)	<u>100,000</u>	
	\$1,100,000	
SURPLUS	<u>8,377</u>	<u>1,108,377</u>
		<u>\$5,541,423</u>

Note1 — The Provincial Bank of Canada owns the entire capital stock of Pro-Can Realties Limited with the exception of the directors’ qualifying shares. It is carried on the books of the bank at \$1,099,400.

AUDITORS’ REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Pro-Can Realties Limited as at October 31, 1965 and have obtained all the information and explanations we have required.

In our opinion, the accompanying balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at October 31, 1965 according to the best of our information and the explanations given to us and as shown by the books of the Company at that date.

AUDITORS

J.-Emilien Nadon, C.A.,
of Nadon, Nadon & Associés, C.A.

Jean-Paul Gagnon, C.A.,
of Bélanger, Dallaire, Gagnon & Associés, C.A.

Montreal, November 9, 1965

Executive Officers of The Bank

J.-Ubald Boyer	President
Léo Lavoie	General Manager
L.-P. Larose	Assistant General Manager
R.-L. Arsenault	Assistant General Manager
J.-L. Boulanger	Assistant General Manager
Jean Machabée	Assistant General Manager
Raymond Primeau	Assistant General Manager
René Cousineau	Secretary
Gilles Mercure	Assistant to the General Manager
Georges Fortin	Chief Accountant
Antonio Malfara	Supervisor, Credit
René Leduc	Chief Inspector
R.-J.-A. Béland	Superintendent at Head Office
Gaston Bertrand	Manager, Public Relations
Gaston Gauthier	Manager, Legal
Lawrence Labonté	Manager, Personnel
Louis Mercier	Manager, Advertising
André Pasquin	Supervisor, Foreign Business
Léon Pilon	Manager, Securities
J.-L. Pronovost	Manager, Security
J.-P. St-Denis	Manager, Bank Premises
Réal Tardif	Manager, Professional Training
Robert Teasdale	Manager, Routine
Paul Villers	Manager, Budget Loans
François Lapierre	Superintendent, Montreal
J. Jean-Louis Sénécal	Superintendent, Montreal—des Prairies
J.-R. Brunelle	Superintendent, Eastern Townships—St. Maurice
H.-J. Richard	Superintendent, Laurentians—Ottawa
Maurice Bigras	Superintendent, Quebec
Grégoire Doyon	Superintendent, St. Lawrence Valley
A.-Y. Melanson	Superintendent, Maritimes
Lawrence Cyr	Superintendent, Windsor, Ont.

FINANCIAL POSITION (in thousands)

	Total Assets	Total Deposits	Total Loans	Capital paid up	Rest Account	Undivided Profits	Provision for income taxes	Net Profit for the period
1965	\$543,107	\$511,626	\$337,788	\$9,000	\$18,000	\$114	\$2,260	\$2,203
1964	\$506,895	\$475,866	\$309,169	\$9,000	\$17,300	\$141	\$2,170	\$2,140
1963	\$487,224	\$457,610	\$281,680	\$9,000	\$16,600	\$185	\$2,115	\$1,985
1962	\$447,876	\$418,448	\$260,806	\$8,995	\$15,992	\$173	\$2,100	\$1,951
1961	\$422,239	\$399,051	\$208,638	\$7,000	\$12,000	\$113	\$1,570	\$1,540
1960	\$382,006	\$360,522	\$190,851	\$7,000	\$11,000	\$138	\$1,420	\$1,450
1959	\$358,966	\$338,920	\$184,022	\$6,994	\$10,292	\$133	\$1,275	\$1,231
1958	\$326,045	\$310,310	\$154,244	\$5,000	\$ 7,000	\$159	\$ 775	\$ 875
1957	\$297,294	\$284,221	\$132,490	\$5,000	\$ 5,000	\$284	\$ 700	\$ 799
1956	\$295,579	\$283,640	\$129,482	\$5,000	\$ 4,000	\$365	\$ 466	\$ 710

OPERATING RESULTS (per share)

	Profits*	Dividends	Pay-out ratio	Book value*
1965	\$2.45	\$1.70	69%	\$30.12
1964	\$2.38	\$1.65	69%	\$29.38
1963	\$2.21	\$1.52½	69%	\$28.65
1962	\$2.17	\$1.45	67%	\$27.97
1961	\$2.20	\$1.45	66%	\$27.30
1960	\$2.07	\$1.35	65%	\$25.91
1959	\$1.76	\$1.10	63%	\$24.91
1958	\$1.75	\$1.00	57%	\$24.32
1957	\$1.60	\$0.96	60%	\$20.57
1956	\$1.42	\$0.87	61%	\$18.73

OTHER INFORMATION

	Number of Branches	Number of Agencies	Number of Employees
1965	200	168	2,252
1964	197	167	2,114
1963	191	171	2,042
1962	185	174	1,979
1961	178	176	1,909
1960	175	182	1,901
1959	173	185	1,925
1958	166	186	1,823
1957	157	189	1,681
1956	157	193	1,591

*according to number of shares in circulation at the end of the period.

heavier burden carried by the banks in our economy. For instance, our loans to municipalities and school commissions at the end of October had reached \$47.5 millions, or approximately 60% more than twelve months before. The creation by the governments of a municipal loan fund has resulted in the simultaneous undertaking of large public works by many towns that needed interim credit from the banks in record amounts while the projects were under way. As regards the school commissions, at least in the Province of Quebec, the assistance obtained from the banks is considerable also, partly because of the rapid increase of the educational budgets and also because the school commissions collect their local taxes and receive their government subsidies long after the payment of their expenses is due. It is hoped that a satisfactory solution will soon be found to correct this abnormal situation.

MARKED INCREASE IN DEPOSITS

Total deposits were at \$511.6 millions at the end of the fiscal

year, showing an increase of \$35.8 millions, or about 7½% more than in 1964. I am particularly glad to point out the satisfying advance in personal savings deposits, where the increase of \$19.2 millions is equivalent to a growth rate of 8½%.

Term deposits other than personal savings deposits have also marked a significant advance of \$11.1 millions, nearly 12%. In view of the very high interest rates offered on the money market for this particular type of deposits during the year, we have not thought advantageous to seek to increase them further. As the Bank Act prevents us to consider mortgage lending or to make loans of a more remunerative nature, and as it puts an overall ceiling of 6% on our income, this greatly impairs our ability to compete with other institutions who are able to bid up interest rates in order to attract deposits.

This same factor also affects ordinary savings deposits, although to a lesser extent. The Bank Act thus hinders the normal expansion of the banking system resources and encourages artifi-

cially the progress outside the system of competing organizations. This is more particularly true at times when monetary policy is tightening and all interest rates, but the banks' rates, go up. At all times, the present rules are detrimental to public interest for many reasons, some of which our President has just commented upon, but in times of credit restrictions the fact is even more evident.

The decennial revision of the Bank Act, twice postponed since 1964, will probably take place within the coming months. Amongst the many desirable amendments to that important legislation, none is more justified than the repeal of the obsolete provision that puts a ceiling of 6% on bank loans. For the well-being of Canada's economy, it is to be hoped that the legislator will concur in this view.

INVESTMENT AND LIQUID POSITION

Commercial loans having increased more rapidly than deposits, the Bank had to proceed to a redistribution of its assets. Partly off-

setting a reduction of \$12.2 millions in our call loans, cash resources have increased by \$5.5 millions and investments by \$1.8 million, so that total liquid assets were but slightly reduced in absolute terms. Proportionally to total assets, however, which now stand at a record high of \$543.1 millions, total quick assets at \$198.8 millions, represent a ratio of liquidity of 36.6%, compared to 40.2% in 1964.

The liquidity reserves of the whole banking system, while always plentiful, have come down to levels below which they very seldom have been seen in the history of Canadian Chartered Banks. Their traditions of prudence which have constantly been their strength will make them hesitate from now on to expand their credits faster than they will be enabled to increase their resources.

EXPANSION OF BUSINESS

During the year, we have completed the reorganization of our administrative structures by establishing four new Regional Offices for the Montreal region.

In consequence, our whole network of branches is now directly supervised by our eight Regional Superintendents. This new measure assures our branch managers of a more efficient guidance and stronger support in their work, thus allowing superior service to our clients. The renewed impulse that such procedure has given to our business development has already started to be most fruitful.

Five new branches of the Bank have been opened during the fiscal year; two in Montreal North and one in Quebec, City of Laval and Baie Comeau respectively. On the other hand, our branch at Shelter Bay was closed and the one at Val Brilliant was converted into an agency. At the end of the fiscal year, our network comprised 200 branches and 168 agencies.

Eight of our older branches were moved into new premises and four others are now located in completely renovated quarters. This expansion and modernization program is always given priority consideration, so that our Institution may offer continuously ex-

tended and improved services to the public.

The book value of the Bank's premises account and of its investments in its subsidiary company "Pro-Can Realities Ltd.", as shown on the balance sheet at the end of the year, was at \$11.9 millions, after deduction of the regular amounts for depreciation, which is an increase of about one quarter of a million dollars over the corresponding amount in 1964.

LARGER PROFITS

Operations for the year resulted in a profit of \$4,463,115, after depreciation and deduction of the usual provisions for contingencies. This is approximately \$160,000 more than last year. After having set aside \$2,260,000 for Income Tax purposes, net profit stands at \$2,203,115, or \$2.45 per share, as against \$2.38 per share in 1964.

Dividends paid to our shareholders have totalled \$1.70 per share, leaving about 30% of net profits for the year to be added to the shareholders' equity and permitting a transfer of \$700,000 to rest account. Paid-up capital and

Branches, Montreal and Suburbs

MONTREAL

201 St. James St. West
2675 Beaubien St. East
4250 Beaubien St. East
5100 Beaubien St. East
○ 1100 Bélanger St. East
3255 Bélanger St. East
200 Bernard St. West
5635 Côte St. Luc Road
⊕ 3538 DeLorimier Ave.
1390 Fleury St. East
2201 Fleury St. East
○ 2175 Frontenac St.
5990 Gouin Blvd. West
11244 Gouin Blvd. East
500 Henri-Bourassa Blvd. East
665 Jarry St. West
2101 Jean-Talon St. East
855 Jean-Talon St. West
1909 Laurier St. East
3244 Masson St. East
6150 Monk Blvd.
1396 Mount Royal Ave. East
1 Notre-Dame St. West
2441 Notre-Dame St. West
4440 Notre-Dame St. West
⊕ 520 Ogilvy St.
1346 Ontario St. East
3401 Ontario St. East
4685 Park Avenue
772 Rachel St. East
801 St. Catherine St. East
1900 St. Catherine St. East
4137 St. Catherine St. East
680 St. Catherine St. West

4494 St. Denis St.
7130 St. Denis St.
○ 8305 St. Denis St.
6420 St. Hubert St.
8060 St. Hubert St.
3850 St. Lawrence Blvd.
8631 St. Lawrence Blvd.
1178 Sherbrooke St. West
5355 Sherbrooke St. West
5702 Sherbrooke St. East
8670 Sherbrooke St. East
3543 Van Horne Ave.
4765 Van Horne Ave.

JACQUES-CARTIER

582 Ste-Foy Blvd.

LACHINE

1515 Notre-Dame St.

LaSALLE

584, 90th Avenue

LAVAL

Chomedey ward:

395 Cartier St. (Laval-des-Rapides)
△ 967 Hôtel-de-Ville Blvd. (Ste-Dorothée)
201 Labelle Blvd.
1500 Labelle Blvd.

Duvernay ward:

2765 de la Concorde Blvd.
23 des Laurentides Blvd. (Pont-Viau)
● 1654 des Laurentides Blvd.

Ste-Rose ward:

205 Ste-Rose Blvd.

LONGUEUIL

165 St. Jean St.

MONTREAL NORTH

● 4983 Charlevoix St.
● 3570 Henri-Bourassa Blvd. East
10202 St. Michel Blvd.

OUTREMONT

1051 Laurier Ave. West

ROXBORO

10415 Gouin Blvd. West

ST. LAURENT

795 Decarie Blvd.

ST. LEONARD (Bourget)

5900 Metropolitan Blvd. East

ST. MICHEL

3701 Dickens St.
9101 Pie IX Blvd.
8060 St. Michel Blvd.
9048 St. Michel Blvd.

VERDUN

321 Church Avenue
5364 Bannantyne Avenue

Other Branches

LEGEND

- NEW BRANCHES
- △ AGENCY CONVERTED INTO SUB-BRANCH
- BRANCHES MOVED TO NEW PREMISES
- ⊕ RENOVATED PREMISES

QUEBEC

- Amqui
- Asbestos
- Aylmer
- Baie Comeau:
3 Père-Arnaud St.
- Baie-St-Paul
- Beauport
- Boucherville
- Cap Chat
- Causapscal
- Charlesbourg:
4785-1st Ave. W.
- Chicoutimi
- Contrecoeur
- Côteau Station
- Danville
- Disraéli
- Drummondville:
226 Hériot St.
461 Lindsay St.
229 St-Marcel St.
- Gatineau
- Gentilly
- Granby
- Hauterive
- Hull:
161 Main St.
200 Champlain St.
- Joliette
- Jonquière
- Labelle
- Lachute:
569 Main St.
- Lac Mégantic
- La Malbaie
- Laurentides (P.O. St-Lin)
- L'Épiphanie
- Lévis (Rond-Point)
- Loretteville
- Louiseville
- Maniwaki
- Masson
- Matane
- Montmagny
- Mont-Rolland
- Nicolet
- Notre-Dame-de-Charny
- Notre-Dame-du-Lac
- Oka
- Papineauville
- Pierreville

- Quebec:
54 St. Peter St.
1035 Cartier Ave.
2 Fabrique St.
- 1510-18th Street
405 Charest Blvd. East (St-Roch)
- ⊕ 8 St-Joseph St. West (St-Sauveur)
595-3rd Avenue (Limoilou)
911 St-Cyrille Blvd. West (Sillery)
- Repentigny (Shopping Centre)
- Rimouski
- Rimouski-Est:
640 St-Germain St.
- Rivière-Bleue
- Rivière-du-Loup:
116 Lafontaine St.
- Rivière-du-Loup-Station:
494 Lafontaine St.
- St-Agapit
- Ste-Agathe-des-Monts
- St-André-Avellin
- St-Anselme
- St-Barthélemy
- St-Clet
- Ste-Croix
- St-Donat
- St-Eustache
- St-Flavien
- Ste-Foy:
853 Myrand Ave.
1146 Fournier Ave.
- St-Gabriel-de-Brandon
- Ste-Germaine (Dorchester)
- St-Guillaume-d'Upton
- ⊕ St-Hyacinthe
- St-Jean-Port-Joli
- St-Jérôme
- St-Pascal
- St-Polycarpe
- St-Raphaël
- Ste-Thérèse:
120 Turgeon St.
- Sayabec
- Shawinigan
- Sherbrooke:
11 Wellington St. North
401 Papineau St.
- Sorel
- Terrebonne
- Thurso
- Tracy
- Trois-Rivières:
1433 Notre-Dame St.
Laviolette & St-Maurice

Valleyfield:
68 Ste-Cécile St.
Varennes
Verchères
Victoriaville
Warwick
Windsor
Yamachiche

ONTARIO

Alfred
Belle River
Eastview:
325 Montreal Road
Orléans
Ottawa:
152 Rideau St.
Pembroke
Rockland
Tecumseh
Tilbury
Toronto:
112 King St. West
Windsor:
University & Victoria
Drouillard & Charles
Ottawa & Lincoln
Wyandotte & Parent
1317 Grand Marais Road
(Sandwich West)

NEW BRUNSWICK

Bathurst
Campbellton
Caraquet
Edmundston
Edmundston-East
Lamèque
Moncton:
696 Main St.
238 St. George St.
Norton
Saint John
St-Léonard
St-Quentin
Tracadie

PRINCE EDWARD ISLAND

Charlottetown
Summerside

*There are also 168 agencies
attached to the Bank.*

New and renovated branches



The new branch of The Provincial Bank of Canada, at 4983 Charlevoix Street in Montreal North, features functional design and modern, quiet interior decoration.

The Bank's vital expansion is also made evident in very concrete form: new branches are coming up while others move into new and totally renovated premises. A few of them are shown here.



Doing business in this new branch of The Provincial Bank of Canada is wonderful. At 1654 des Laurentides Boulevard in Laval, the Bank will greet you in most elegant and functional premises.



In Quebec City, at 1510 - 18th Street, The Provincial Bank of Canada has opened a new branch in an imposing new building, reflecting the modern and dynamic look of the Bank.



This new branch of the Bank, also in Montreal North, at 3570 Henri-Bourassa Boulevard East, offers its clients the efficient personal service so important at The Provincial Bank of Canada.



This is another new building in which The Provincial Bank of Canada has moved recently to give its clients still better service. It is located at 1100 Bélanger Street East in Montreal.



This branch of The Provincial Bank of Canada, at 8 St-Joseph Street West in Quebec City, has a new look! It fits well with the friendly, personal service of the Bank.



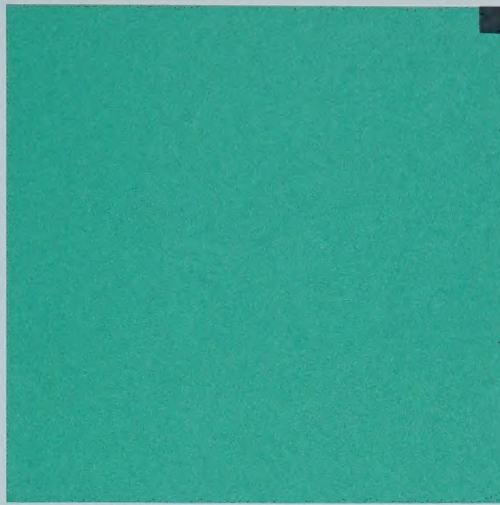
In Papineauville, The Provincial Bank of Canada has just moved into a brand new building. The Bank extends and improves its services in rural districts as well as in the cities.



The Provincial Bank of Canada always gives the best possible service to this friends and clients. The new premises of its branch, at 2175 Frontenac Street in Montreal, certainly bear this out.



HEAD OFFICE:
221 St. James St. West,
Montreal



"The annual report reaches far beyond the framework of the company whose financial situation it unfolds. Moreover, it is a living page of the social as well as economic history of the entire community."

